

## **NEWS RELEASE**



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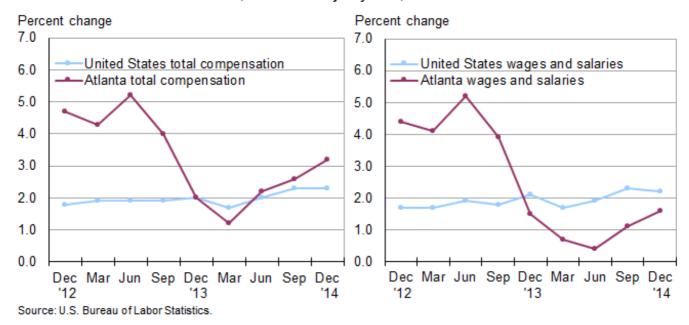
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## Changing Compensation Costs in the Atlanta Metropolitan Area-December 2014

Total compensation costs for private industry workers increased 3.2 percent in the Atlanta-Sandy Springs-Gainesville, Ga.-Ala. metropolitan area for the year ended December 2014, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Janet S. Rankin noted that one year ago, Atlanta experienced an annual gain of 2.0 percent in compensation costs. Locally, wages and salaries, the largest component of compensation costs, advanced at a 1.6-percent pace for the 12-month period ended December 2014. Nationwide, total compensation costs increased 2.3 percent as wages and salaries rose 2.2 percent from December 2013 to December 2014. (See chart 1 and table 1.)

Chart 1. Twelve-month percent changes in the Employment Cost Index, private industry workers, United States and the Atlanta area, not seasonally adjusted, December 2012 - December 2014



Atlanta is 1 of 15 metropolitan areas in the United States and 1 of 5 areas in the South region of the country for which locality compensation cost data are now available. Among these 15 largest areas, over-the-year percentage changes in the cost of compensation ranged from 4.8 percent in San Jose and Seattle to 1.0 percent in Detroit in December 2014; for wages and salaries, San Jose registered the

largest increase (4.9 percent) while Detroit registered the smallest (0.2 percent). (See chart 2.)

Percent change 4.8 4.9 4.8 ■ Total compensation 5.0 ■ Wages and salaries 4.5 4.0 3.5 3.2 3.0 2.8 2.7 2.6 2.6 2.5 2.5 2.3 <sub>2.2</sub> 2.5 23 2.1 2.0 2.0 2.0 1.9 1.7 1.6 1.3 1.4 1.4 1.5 1.0 1.0 0.5 0.0 Atlanta Boston Chicago Dallas Detroit Houston Phila-Phoenix San Seattle United Los Miami Minne-New York Angeles apolis delphia Source: U.S. Bureau of Labor Statistics

Chart 2. Twelve-month percent change in the Employment Cost Index, private industry workers, United States and localities, not seasonally adjusted, December 2014

Atlanta's 3.2-percent increase in compensation costs in December 2014 was the largest among the South's five metropolitan areas (Dallas, Houston, Miami, and Washington). Atlanta's 1.6-percent gain in wages and salaries compared to annual increases in the other four southern localities that ranged from 2.5 to 1.2 percent. (See table 2.)

Locality compensation costs are part of the national Employment Cost Index (ECI), which measures quarterly changes in compensation costs, which include wages, salaries and employer' costs for employee benefits. In addition to the 15 locality estimates provided in this release, ECI data for the nation, 4 geographical regions, and 9 geographical divisions are available. (Geographical definitions for the metropolitan areas mentioned in this release are included in the <u>Technical Note</u>.)

In addition to the geographic data, a comprehensive national report is available that provides data by industry, occupational group, and union status, as well as for both private, and state and local government employees. The release is available on the Internet at <a href="www.bls.gov/ncs/ect/home.htm">www.bls.gov/ncs/ect/home.htm</a>. Current and historical information from other Bureau programs may be accessed via our regional homepage at <a href="www.bls.gov/regions/southeast/">www.bls.gov/regions/southeast/</a>.

The Employment Cost Index for March 2015 is scheduled to be released on Thursday, April 30, 2015, at 8:30 a.m. (EDT).

## **Technical Note**

The Employment Cost Index (ECI) measures the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee benefits.

Wages and salaries are defined as straight-time average hourly earnings or, for workers not paid on an hourly basis, straight-time earnings divided by the corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime, work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time earnings, whereas nonproduction bonuses (such as Christmas or year-end bonuses) are excluded. Also excluded are such items as payments-in-kind, free room and board, and tips.

Based on available resources and the existing ECI sample, it was determined that estimates would be published for 15 metropolitan areas. Since the ECI sample sizes by area are directly related to area employment, the areas with the largest private industry employment as of the year 2000 were selected. For each of these areas, 12-month percent changes and associated standard errors were computed for the periods since December 2006.

The metropolitan area definitions of the 15 published localities are listed below.

- Atlanta-Sandy Springs-Gainesville, Ga.-Ala. Combined Statistical Area (CSA) includes Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Polk, Rockdale, Spalding, Troup, Upson, and Walton Counties in Georgia; and Chambers County in Alabama.
- Boston-Worcester-Manchester, Mass.-N.H. CSA includes Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester Counties in Massachusetts and Belknap, Hillsborough, Merrimack, Rockingham, and Strafford Counties in New Hampshire.
- Chicago-Naperville-Michigan City, Ill.-Ind.-Wis. CSA includes Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, McHenry, and Will Counties in Illinois; Jasper, Lake, LaPorte, Newton, and Porter Counties in Indiana; and Kenosha County in Wisconsin.
- Dallas-Fort Worth, Texas CSA includes Collin, Cooke, Dallas, Delta, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise Counties in Texas.
- **Detroit-Warren-Flint, Mich. CSA** includes Genesee, Lapeer, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties in Michigan.
- Houston-Baytown-Huntsville, Texas CSA includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, San Jacinto, Walker, and Waller Counties in Texas.
- Los Angeles-Long Beach-Riverside, Calif. CSA includes Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in California.
- Miami-Fort Lauderdale-Pompano Beach, Fla. Metropolitan Statistical Area (MSA) includes Broward, Miami-Dade, and Palm Beach Counties in Florida.
- Minneapolis-St. Paul-St. Cloud, Minn.-Wis. CSA includes Anoka, Benton, Carver, Chisago, Dakota, Goodhue, Hennepin, Isanti, McLeod, Ramsey, Rice, Scott, Sherburne, Stearns, Washington, and Wright Counties in Minnesota; and Pierce and St. Croix Counties in Wisconsin.
- New York-Newark-Bridgeport, N.Y.-N.J.-Conn.-Pa. CSA includes Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Ulster, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, and Union Counties in New Jersey; Fairfield, Litchfield, and New Haven Counties in Connecticut; and Pike County in Pennsylvania.

- Philadelphia-Camden-Vineland, Pa.-N.J.-Del.-Md. CSA includes Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties in Pennsylvania; Burlington, Camden, Cumberland, Gloucester, and Salem Counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland.
- Phoenix-Mesa-Scottsdale, Ariz. MSA includes Maricopa and Pinal Counties in Arizona.
- San Jose-San Francisco-Oakland, Calif. CSA includes Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Sonoma, and Solano Counties in California.
- Seattle-Tacoma-Olympia, Wash. CSA includes Island, King, Kitsap, Mason, Pierce, Snohomish, and Thurston Counties in Washington.
- Washington-Baltimore-Northern Virginia, D.C.-Md.-Va.-W.Va. CSA includes the District of Columbia; Baltimore City and Anne Arundel, Baltimore, Calvert, Carroll, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, and St. Mary's Counties in Maryland; Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park, and Winchester Cities and Arlington, Clarke, Fairfax, Fauquier, Frederick, Loudoun, Prince William, Spotsylvania, Stafford, and Warren Counties in Virginia; and Hampshire and Jefferson Counties in West Virginia.

Definitions of the four geographic regions of the country are noted below.

- Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
- South: Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.
- Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
- West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States, South region, and the Atlanta area, not seasonally adjusted

	Total compensation						Wages and salaries				
	12-month percent changes for period ended-				12-month percent changes for period ended-						
Area	March	June	Sep.	Dec.	March	June	Sep.	Dec.			
United States											
2010	1.6	1.9	2.0	2.1	1.5	1.6	1.6	1.8			
2011	2.0	2.3	2.1	2.2	1.6	1.7	1.7	1.6			
2012	2.1	1.8	1.9	1.8	1.9	1.8	1.8	1.7			
2013	1.9	1.9	1.9	2.0	1.7	1.9	1.8	2.1			
2014	1.7	2.0	2.3	2.3	1.7	1.9	2.3	2.2			
South											
2010	1.5	1.7	1.7	1.9	1.4	1.5	1.4	1.7			
2011	1.7	2.1	2.0	2.0	1.6	1.8	1.9	1.6			
2012	2.3	2.2	2.2	2.3	2.0	2.0	2.0	2.3			
2013	2.2	2.1	2.1	2.0	2.3	2.2	2.0	2.0			
2014	1.7	2.0	2.2	2.2	1.7	2.0	2.3	2.2			
Atlanta-Sandy Springs-Gainesville											
2010	1.6	1.4	1.6	1.8	0.8	0.7	1.2	1.3			
2011	1.6	1.3	1.5	2.0	1.6	1.1	1.2	1.8			
2012	3.2	2.7	3.8	4.7	2.7	2.2	3.2	4.4			
2013	4.3	5.2	4.0	2.0	4.1	5.2	3.9	1.5			
2014	1.2	2.2	2.6	3.2	0.7	0.4	1.1	1.6			

Table 2. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States, geographical regions, and localities, not seasonally adjusted

	To	tal compensati	on	Wages and salaries 12-month percent changes for period			
	12-month p	ercent change	s for period				
	ended-			ended-			
Area	Dec. 2013	Sep. 2014	Dec. 2014	Dec. 2013	Sep. 2014	Dec. 2014	
United States	2.0	2.3	2.3	2.1	2.3	2.2	
Northeast	2.0	2.5	2.6	1.8	2.5	2.6	
Boston-Worcester-Manchester	2.0	2.5	3.2	2.2	2.6	3.5	
New York-Newark-Bridgeport	1.8	2.1	2.8	1.3	1.7	2.6	
Philadelphia-Camden-Vineland	2.2	1.4	2.0	1.7	1.4	2.0	
South	2.0	2.2	2.2	2.0	2.3	2.2	
Atlanta-Sandy Springs-Gainesville	2.0	2.6	3.2	1.5	1.1	1.6	
Dallas-Fort Worth	3.3	3.4	2.5	3.5	3.5	2.3	
Houston-Baytown-Huntsville	2.0	1.5	1.7	2.3	1.5	2.1	
Miami-Fort Lauderdale-Pompano Beach	1.9	1.2	2.1	2.4	1.7	2.5	
Washington-Baltimore-Northern Virginia	1.7	1.1	1.4	1.8	1.0	1.2	
Midwest	1.6	2.2	2.1	1.8	2.0	1.7	
Chicago-Naperville-Michigan City	1.6	3.3	3.3	2.2	2.3	1.9	
Detroit-Warren-Flint	1.7	0.9	1.0	2.0	0.1	0.2	
Minneapolis-St. Paul-St. Cloud	2.0	2.3	2.3	1.6	2.5	2.6	
West	2.4	2.3	2.4	2.4	2.3	2.5	
Los Angeles-Long Beach-Riverside	1.7	2.6	2.8	1.7	2.3	2.4	
Phoenix-Mesa-Scottsdale	1.5	1.1	1.3	2.0	1.2	1.4	
San Jose-San Francisco-Oakland	2.6	3.9	4.8	2.4	3.9	4.9	
Seattle-Tacoma-Olympia	1.7	3.1	4.8	1.8	1.4	2.7	